



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

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Second District

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FOR IMMEDIATE RELEASE

NR# 24-L
Date: May 14, 2004
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LEONARD ANNOUNCES 2003 TAXABLE SALES – SECOND QUARTER

Bill Leonard, Member, State Board of Equalization (BOE), announced today that taxable sales in California rose during the second quarter of 2003, marking the fourth consecutive increase in quarterly growth. Transactions subject to the sales and use tax totaled \$114.5 billion during the second quarter of 2003, an increase of \$3.5 billion or 3.1 percent from the second quarter of 2002.

In constant dollar terms, taxable sales increased by 3.8 percent over the same quarter a year ago. The California Taxable Sales Deflator measured a slight deflation rate of 0.7 percent for the second quarter of 2003.

Retail stores posted taxable sales of \$79.3 billion, a 5.4 percent increase over the same period a year ago. Retailers of durable goods experienced a 5.9 percent increase, while retailers specializing in non-durable goods showed a 4.8 percent increase.

In the durable goods category, new car dealers posted taxable sales of \$14.4 billion during the second quarter, a 7.6 percent increase over the same period a year ago. Construction contractors also showed increased taxable sales, with taxable transactions of \$4.5 billion, an increase of 2.5 percent. Retailers of building materials registered continuing growth in sales. Building material dealers posted taxable sales of \$7.2 billion, up 6.6 percent from a year earlier.

Gasoline consumption was flat, showing a growth of 0.1 percent and measured 3.9 billion gallons. However, the average price of gasoline during the second quarter was \$1.760, a 15.9 percent increase from the previous year's price. Taxable transactions at service stations totaled \$7.0 billion, resulting in a 12.1 percent increase over the same period last year.

While retail stores experienced increased growth in taxable sales of 5.4 percent during the second quarter 2003, business and personal services taxable transactions continued a trend of contracting slightly, showing \$5.4 billion or a decrease of 1.0 percent over the same period a year ago. Additionally, all other outlets, comprised primarily of manufacturing and wholesale businesses, saw their taxable transactions decline 1.7 percent on \$29.8 billion.

(Second Quarter 2003 lists of Statewide Taxable Sales by Type by [Business](#), Taxable Sales by [County](#) and Taxable Sales by [City](#))

